



## **Health Plan Benefits Group/CBC**

---

**Date:** July 7, 2003

**To:** Medicare+Choice Organizations  
Demonstration Projects  
Medicare Cost Contractors

**From:** Jean LeMasurier /s/  
Acting Director

**Subject:** 2004 Summary of Benefits (SB)

---

Requirements for the standardized SB apply to all Medicare+Choice Organizations (M+COs) and certain Managed Care Demonstration Projects. Medicare Cost Plans are only required to use the standardized SB, if the plan intends to have plan benefit information appear in Medicare Personal Plan Finder. Therefore the 2004 SB instructions will apply to Medicare Cost plans that use the standardize SB.

The general instructions for the SB have been included in Section 40.5 of Chapter 3 of the Medicare Managed Care Manual. The instructions in Section 40.5.1 apply to M+COs and Demonstration projects that are required to utilize the SB. Section 40.5.2 provides instructions specific to Medicare Cost Plans. Given that these instructions are now included in Chapter 3, the general instructions will not be provided in this memo. Therefore, health plans are encouraged to reference the Medicare Managed Care Manual Chapter 3 for clarification on the general SB instructions.

### **Background**

The SB is the primary pre-enrollment document used by M+COs to inform potential and existing members of the plan benefit packages offered by M+COs. Similarly, Medicare beneficiaries have indicated the SB is the single most important document produced by the M+COs that assists the beneficiary in making a health care selection.

The Standardized Summary of Benefits was developed jointly between the Medicare Managed Care Industry and Beneficiary Groups to establish consistency and standardization in benefit descriptions that are provided to Medicare beneficiaries. It enables M+COs participating in the M+C program to provide a side-by-side comparison of plan benefits to the original Medicare fee-for-service benefit package so the potential member can view the benefit enhancements the M+CO offers beyond the Original Medicare program.

The standardized SB is a stand-alone marketing document that is generated from the Plan Benefit Package (PBP). The SB contains the following sections:

- (1) Beneficiary information section, which informs potential members of important aspects of participating in the M+C program (two pages, standard format, and text);
- (2) Benefit comparison matrix (approximately 10 pages, standard form, and text); and
- (3) M+CO special features sections (up to 6 pages of promotional text and graphics; free format, and text).

The SB is a “summary” document and therefore, not intended to include benefit information in the same detail as the Evidence of Coverage. The SB and Medicare Personal Plan Finder will contain the same information in the same format for CY 2004.

For CY 2004, the PBP will include several enhancements based on an annual review of comments received from MCOs and changes in the Medicare Policy. These enhancements will allow M+COs greater flexibility to describe their benefit packages in a more accurate fashion. M+COs should generate Sections 1 and 2 of the SB from their completed PBP, download the sections into the appropriate publishing software, and combine them with Section 3 to form a complete SB.

### **2004 Summary of Benefits Changes:**

#### Preferred Provider Organizations (PPO) Out of Network Sentences

Prior to CY 2004 Section C in the PBP was used to describe a plan’s exclusions and restrictions or plan coverage; access to providers and provision of services to dual (Medicare and Medicaid) eligible beneficiaries. This year Section C of the PBP is only available to PPO plan types. Therefore, PPO plans will now have the capability to generate out of network sentences in Section 2 of the SB. In addition to the development new PPO sentences for out of network services, a crosswalk has been designed to provide detailed explanation of how each sentence is derived from the PBP.

#### Section 3 of the Summary of Benefits

In an effort to meet CMS’ disclosure requirements regarding new cost sharing structures and allowing greater flexibility in describing plan benefits, Section 3 of the SB has been expanded to up to 6 pages in length.

#### Customer Service Phone Numbers

CMS has added an additional feature in the Health Plan Management System (HPMS) that will enable Medicare MCOs to differentiate between the customer service contact information for current versus prospective members. Therefore, Section 1 of the Summary of Benefits has been revised to display a number for current and potential members for customer service contact. Section 2 of the SB header has also been revised to display a customer service number for current and potential members

#### Footnotes

Many plans have indicated that Footnote 3, which states “You are covered for unlimited days each benefit period” automatically generates in the plan column. Although this footnote is automatically generated in the plan column it does not always apply to the benefit category. In the past, we have advised plans to remove footnote 3 if it does not apply to the benefit. This year the PBP will not automatically generate footnote 3 into the plan column. Therefore, if footnote 3 is applicable to the plan’s benefit, they must manually include it on the hard copy SB. We strongly encourage plans for CY2003 to verify that footnote 3 does not appear in the plan

column if it is not applicable to the benefit category. Additionally, if a health plan determines the footnote should not appear in the plan column they must amend the SB and notify their members.

#### Cost Sharing for Additional, Mandatory for Supplemental Benefits

If a plan indicates there is any cost sharing for additional or mandatory supplemental benefits, a new SB sentence is generated: “ Co-payments may apply. Contact plan for details.”

#### Request to Change Hard Copy SB

CMS will continue the process to request changes to the hard copy SB. Please refer to the 2004 Renewal/Non-Renewal instructions for further detail. The renewal/non-renewal instructions will be posted on the Internet at <http://cms.hhs.gov/healthplans/letters/>

#### 2004 Template for Cost Plans

CMS will post a revised template that reflects the changes necessary to facilitate the ease of use by Cost Contractors on the Internet at [cms.hhs.gov/healthplans/marketing/](http://cms.hhs.gov/healthplans/marketing/). We expect this template to be available by the end of July,

#### **Closing Note:**

The standardized SB is designed to provide the M+CO plan with adequate descriptive information to perform marketing of the M+CO's plans while at the same time assisting potential Medicare beneficiaries in performing comparison shopping for the health care provider best suited to meet their needs. The standardized SB will also be used to inform existing M+CO members of the benefit changes for the new contract year. Should you require assistance in clarification or use of this document, please contact your CMS Regional Office Plan Manager. You may also submit your questions through the Internet by emails to: [sb2004@cms.hhs.gov](mailto:sb2004@cms.hhs.gov). The SB Questions and Answers will be updated regularly and posted on the Internet at: [www.cms.hhs.gov/medicare/acrp.htm](http://www.cms.hhs.gov/medicare/acrp.htm).